



**CALIFORNIA VETERANS BOARD**  
**GENERAL SESSION MEETING #658**  
**Friday, September 19, 2003 – 9 A.M**  
**HQs. California Department of Veterans Affairs**  
**Sacramento, CA**



**GENERAL SESSION:**

The California Veterans Board (CVB) monthly public meeting was called to order at 9 A.M. Board members present included Chairman George Sinopoli (Fresno), Vice Chairman Edward Feldman (Westlake Village), Members Jerry Basconcillo (Delano), Leo Burke (Stockton), Judy Gaze (San Diego) and Larry Lattman (California Veterans Home in Yountville).

Sheryl Schmidt led the invocation. Tom Montague led the Pledge of Allegiance.

Chairman Sinopoli introduced the members of the Board, and CVB Interim Executive Officer Sandra Munoz.

The audience introduced themselves.

**MOTION** passed to approve minutes from the CVB meetings of July.

Chairman Sinopoli welcomed everyone and thanked him or her for attending.

**REPORT FROM BOARD MEMBERS ON ACTIVITIES FOR APRIL:**

**Member Larry Lattman** reported emceeding a Marine Corps League celebration at Yountville. He was sent to the Chula Vista Home, which now has an active allied council set up based on the P&Ps sent from Yountville.

**Member Judy Gaze** said that she has been focusing her efforts internally towards the Department. The interest rate was adjusted a bit higher to ensure the solvency of our bonds. She said she was working with the Department to influence Congress to pass legislation to allow the municipal bonds interest rate to be given to veterans who served since 1977. Also, the San Diego United Veterans Council want to know when the Board will be coming there, so they can set up a meeting.

**Member Ed Feldman** attended a meeting in Georgetown with Member Leo Burke, and conducted an interview on audit-related legal matters with potential independent counsel.

**Member Jerry Basconcillo** reported attending the Board meeting in Sacramento, and in August presented a letter of commendation from the Board to a veteran in Delano, and was present at the dedication of the athletic facility in Delano.

**Member Leo Burke** said that he was in Yountville August 1<sup>st</sup> and 2<sup>nd</sup> for a meeting with Larry Lattman and Chairman Sinopoli and picnic with the Veterans, especially the handicapped veterans. On August 31<sup>st</sup>, Mr. Burke was the main speaker at a dedication of a new veterans facility. On September 12<sup>th</sup>, he attended a policy committee meeting in Georgetown.

**Chairman Sinopoli** reported he was also at the Yountville celebration, and went to Ventura to help dedicate the room for a prominent veteran who passed away. In addition, he is still working on getting a Veterans Home in Fresno.

**Secretary Johannessen and Dr. Robert Johnson** said that we are on our timeline regarding the Veterans' Homes. There were some delays on the Federal side because they didn't get their budget passed on time, which delayed us a few months, and he said he thinks we may be able to meet the deadline anyway. The drawings are in the conceptual stage. The interior design is pretty much done. The Homes' design is intended to accommodate not only what we plan to put there, but also potential increases in capacity. Environmental Impact Statements are not required on all the sites, but the California Environmental Quality Act process is a difficult step to pursue. The program calls for RCFE care at both Ventura and Lancaster, with 60 beds in both units. Also have calls for up to 50 participants in adult day care at the West L.A. campus. It calls for 248 SNF beds, 52 RCFE beds, and 100 in a separate facility for dementia/Alzheimer's.

## **REPORTS:**

**(Status of CDVA Division / Select Cal Vet Board (CVB) Committees / Special)**

**VETERANS HOMES OF CALIFORNIA, CDVA DIVISION:** Undersecretary Tom Kraus reported that the Barstow facility SNF is at zero census. Everyone has been relocated, approximately 69 to Chula Vista and 18 to Yountville. Associated with the closure of the SNF is the layoff of about 174 employees out of 282. To ensure continuous staffing, they ensured employment until October 31<sup>st</sup>. The Victorville Community Hospital called and asked to do a job fair and indicated they could probably hire everyone. At Barstow, they will be basically operating a 60-bed intermediate care facility. They will need periodic skilled nursing assistance as opposed to continuous assistance. Mr. Kraus reiterated that there are no plans to shut down the Barstow facility. They would have to give the Federal government back \$18.75 million dollars if they did. The Barstow facility will be the only one with domiciliary beds. Regarding physician coverage, Julie Hom said that the Barstow staff has proposed managing the 40 beds under the scope of a physician in the ICF unit, and that a local geriatrician has also asked to provide contractual services. Tom Kraus said that the facility has been overstaffed by double, so when you make cuts; it makes it look like a bigger layoff than it is. Barstow also passed its USDVA survey in August. In Chula Vista, we have all 180 beds licensed and certified. The surveyors were amazed at the changes at the Home. They will have approximately 115 residents in the SNF as of today, and the regulation says that when you hit 75% occupancy, you cannot admit from the outside. We will basically have about 20 beds with which to admit from the outside and it may not be even that many do to turnover from Barstow and Chula Vista itself. The downside is that a lot of people on the waiting list who were close to getting in, probably won't get in, at least not to the SNF. The DOM will continue to let people in. Chula Vista is a home that is very much needed, and could probably be doubled in size and still be full. Secretary Johannessen interjected that the future capacity of the Chula Vista facility is being considered, but it depends on the participation of the state and the federal government. The problem that we have right now is that we are taking every dime that the federal government has budgeted annually for U.S. veteran's homes. We are getting a priority from the federal government because of the number of veterans and number of beds available. Tom Kraus said that the staff did everything possible to make the transition from one home to another as smooth as possible. In Yountville, they completed their USDVA survey,

and their only concerns were some staffing issues in ancillary departments. Secretary Johannessen said that the money would be found and the projects would be on time.

**VETERANS HOMES CALIFORNIA, CVB Committee, Larry Lattman.** Mr. Lattman reported that a man who passed away recently in Napa left the Yountville Home over a million dollars—6 or 7 hundred thousand in cash and a large home of undetermined worth. It was decided to make an investment in X-ray and ultrasound equipment. Dr. Feldman suggested adding telemetry capability to the equipment.

**FARM AND HOME PURCHASES, CDVA DIVISION – Jerry Beaver.** Standing in for Debra Lehr, Mr. Beaver said that in July and August we funded 226 loans totaling \$44.3 million, with an increase in applications of about 113% since June. The Division expects to fund \$35 to \$40 million in September. Our processing times are well under 30 days. With the increase in loan applications the District Offices have become involved in Loan Processing. We have adjusted the interest rate on the Unrestricted loans to 4.99%, and on the QVMB loans to 4.5%. We engaged Marsh Risk Consulting to do a conflagration exposure analysis on our fire and hazard policies. Judy Gaze stated that many of the appeals received from the Farm and Home program appear without merit and are time-consuming. At some point, she would like to address the appeals review process to be able to weed out these specious appeals. Bruce Thiessen said 1/3 of our loans are being brought in through the Internet. Mr. Thiessen passed out a packet that shows what information is being mailed to members of Congress re: amending the QVMB funding rules, so that veterans who served after January 1, 1977 to the present date can qualify for these funds. Both of our state senators are in support of this effort. The hold-up still is in the Ways and Means Committee. Mr. Thiessen spoke to Governor Perry from Texas about garnering support for this proposal.

**VETERANS SERVICES DIVISION – Glen Halsey, Chief -** Mr. Halsey stated that another construction project in process is the Northern California State Veterans Cemetery in Igo, Shasta County. The CVSOs got their \$470,000 funding restored and were able to get an increase in the Veterans Service Officer Fund from proceeds of sale of license plates in the amount of \$470,000. A.B. 322, protecting the property tax exemption even if the veteran goes into long-term care, was passed and signed by the Governor. SB 748 passed, which set up a site selection committee for future state cemeteries. The V.A. cemetery in Dixon is on track for opening 2006. The Shasta cemetery should be open by December 2004. He said the rumors of getting rid of all the service officers is untrue; we are actually adding staff. Mr. Halsey also said that he would be retiring at the end of the year, but would remain active with disabled veterans issues.

**VETERANS SERVICES, CVB Committee, Veterans Services, Jerry Basconcillo.** Mr. Basconcillo remarked that he has been getting a lot of questions on veterans' benefits lately, which he has referred to the CVSOs.

**POLICY AND PROCEDURES, CVB Committee, Leo Burke-** Mr. Burke explained that the Committee met September 12<sup>th</sup>, and presented 3 policies for ratification.

**MOTION** passed to adopt California Veterans Board independent counsel section A 12.

**MOTION** passed to approve fire and hazard insurance guaranteed replacement costs policy in section B5 and interest rate policy as outlined in methodology in section B9.

Dr. Feldman had some preliminary drafts on policy for training and appeals. A CVB training manual regarding policies and procedures will be developed over time. A training officer from CDVA will provide orientation to CVB on CDVA policy and activities.

The other issue is whether we are handling appeals in a manner consistent with California Code. The appeals process will be reviewed by CVB independent counsel, and a procedural manual will then be developed.

**CONTRACT MANAGEMENT, CDVA – Jack Kirwan, Finance Division** – Referenced attachments to report on staffing levels, and welcomed questions.

**CONTRACT MANAGEMENT, CVB Committee, Jerry Basconcillo.** Mr. Basconcillo said he had nothing to add.

**LEGISLATIVE AFFAIRS, CDVA** – Leo Burke referred Board members to read the binder attachments.

**ANNUAL REPORT, CVB Committee,** Leo Burke stated that with the transition of new Executive Officer, the report should be taken care of soon.

**RECOGNITION AND AWARDS, CVB Committee,** George Sinopoli: Nothing to report at this time.

**APPEALS, CVB Committee,** George Sinopoli: Judy Gaze stated that Mr. Dillard has asked for a formal appeal, and will wait until the CVB meets in San Diego to pursue it.

Mr. Escandon is appealing his denial due to credit issues. Mr. Escandon has continued to have late accounts, and has \$73,000 in encumbrances on his \$85,000 house.

**MOTION** passed to uphold Mr. Escandon's denial.

Mr. Basconcillos said he had spoken to Mr. Steve Mazman regarding his appeal of denial. Mr. Mazman had problems with deteriorating siding on his home. Mr. Basconcillos told him he should talk to the manufacturer of the siding.

**MOTION** passed to uphold Mr. Mazman's denial.

Judy Gaze stated that Mr. Will Tracy's appeal was regarding insurance claims. He has taken at least two years to get the estimates, and some of the damages were caused by himself. His poor timeliness has resulted in the Department using that repair money sitting in an impound account to pay off Mr. Tracy's balance per CDVA contract. We will have another appeal from Mr. Tracy.

**MOTION** passed to uphold Mr. Tracy's denial.

**LEGAL DIVISION,** Joseph Maguire, Deputy Secretary/Chief Counsel: Mr. Maguire reported that the law office is involved in 125 cases, and recently hired a new attorney, Don Currier. The Debbs case was finally completely dismissed. In the matter of the Magowan case regarding the death of a resident at Barstow because of Digoxin toxicity, the family has filed a wrongful death suit. The medical staff by-laws have recently been finished. The policy of non-encroachment on Home property discussed lately, and Mr. Maguire suggested that any use of assets involving the Department and especially at the Homes be consistent with our mission and not disturb the veterans. Another lawsuit is the Coates workers compensation fraud case was dismissed. The sexual harassment case was won in appellate court, and the plaintiff has appealed it to the Supreme Court.

**INSPECTOR GENERAL,** Ms. Julie Hom, The Deputy Inspector General, reported that the audit of Farm and Home Division is ongoing, and the CVSO audit is upcoming. The IG's office has advised the Department on several pending issues. The IG is going to talk to the CVSO's conference next month to speak of the scope of their audits.

**SECRETARY'S COMMENTS:** Secretary Johannessen said that we have problems with misinformation regarding the Department. Some even claim to have spoken to CDVA staff, so the staff needs to be careful that we are not misunderstood. We need to pull these people into our meetings or get them to contact any of the Deputy Secretaries or the Secretary before they write their articles.

**UNFINISHED AND NEW BUSINESS:**

Coordination and review of revision to updated California Veterans Book is being worked on. We have a draft of a letter to respond to the BSA 60-day report.

**MOTION** passed to accept Sandra Munoz as the new CVB executive officer. No money has been removed from the CVB budget, and Bruce Thiessen hopes to have more precise accountability of our budget process ready for the next meeting.

**FUTURE MEETING DATES AND LOCATIONS:**

All meetings take place on Friday unless notified. The next meeting is scheduled for October 17 in Chula Vista. The chairman anticipates going to Yountville in December.

Yearly schedule is posted on web site: [www.cdva.ca.gov/board](http://www.cdva.ca.gov/board)

**CLOSED SESSION** (if necessary or required)

The general reason or reasons for a closed session, and the specific statutory authority therefore, are (1) to consider the appointment or employment of a public employee under the authority of Section 11126(a) of the Government Code; and (2) to confer with or receive advice from the Board's legal counsel regarding pending litigation under the authority of Section 11126(E)(2)(A), (2)(B), and (3) of the Government Code.

- There being no further business to discuss the meeting was adjourned at 10:45 a.m.
- These minutes are only a summary of the proceeding and are not reported here verbatim.
- These minutes are posted to the California Department of Veterans Affairs on-line website at [www.cdva.ca.gov/board](http://www.cdva.ca.gov/board)

**ADJOURNED at 10:45 a.m.**